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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

COUNTRY Brazil
 SUBJECT Views of Communist Deputy Camara on Petroleum Campaign

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1. The Brazilian Communists, who have attached great importance to the campaign against foreign participation in Brazilian petroleum enterprises, received a blow early in October 1948 when President Dutra announced that the Government was planning to purchase several refineries, tankers, and rolling stock to be used in the local petroleum industry. A general feeling of disorientation pervaded the Communist ranks immediately after the President's plans became known. A meeting of approximately 15 Rio de Janeiro Communist leaders in the office shared by Deputies Pedro Pomar and Diogenes de Arruda Camara on 7 October 1948 gave evidence of this confusion.
2. At a meeting on the following day in the same place, Camara voiced the Communist views on the current situation as follows:
 - a. The petroleum question is only one phase of the national problem which is of interest to the Communist Party of Brazil (PCB). However, a solution to the national problem can come only after the defeat of the Statute which is now pending in Congress to permit foreign participation in the Brazilian petroleum industry, as well as the defeat of bankers and industrialists favoring it. It must be shown that the Statute was drawn up by agents of Standard Oil. At the same time, the true nature of the Light and Power enterprise and of the Abbink Mission must be exposed; the people must be convinced that an attempt is being made to subordinate the country to American interests.
 - b. When the PCB first undertook the petroleum struggle, the Brazilian Government was inclined toward the side of reaction. At that time the PCB leaders ascertained the attitude of each level of society and tried to work out a solution suitable to the proletariat. They presented the Party line but did not pretend to have any real solution to the problem. The main job was to stir up mass feeling because at that time (Comment. i.e., in 1947) the world situation had not become entirely clear. Afterwards, the Communist representation in Congress began working on the task of nationalizing everything, although previously they had at times favored domestic private capital.

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- c. It is important to ascertain the state of public opinion. If this had not been done in the past by the Communists, they would have been unable to obtain the support of so many officers of the Armed Forces. The most sacred thing in the nation is the Armed Forces, and, if one general supports the campaign, other officers can adhere to it because they can justify their stand by his actions.
- d. Even though the nationalization of petroleum is such an important objective, the PCB cannot tolerate that it be brought about under Dutra, because his solution would be primarily political in nature. Petroleum is the focal point of the Communist anti-imperialist campaign, which cannot be successful if Dutra is still in power. The people must be made to understand this fully. There has been a lot of confusion in their minds because of a lack of complete comprehension of the scope of the problem. Many saw in Dutra's purchasing of refineries, etc., the solution, not realizing that the refineries can fall into the hands of the trusts.
- e. It should be pointed out in Communist propaganda that the Government has been forced by popular pressure to take the steps it has taken thus far on the petroleum question and that Dutra's decision merely confirms the justice of the position the Communists have been advocating against foreign exploitation. It should be pointed out also that the Government has fallen into numerous contradictions such as now finding it possible to buy foreign refineries, ships, and rolling stock, when for months it had said that Brazil didn't have the capital to sustain a petroleum industry.
- f. Camara admitted, nevertheless, that the Government had scored a crushing victory against the Communists on the petroleum matter just at the moment when the Petroleum convention was being brought to a close [REDACTED]
- g. In summary, he stated that the Communists should take the following steps to counteract this defeat:
 - (1) Withdraw the Statute from the consideration of Congress;
 - (2) Revamp the leadership of the National Petroleum Council and remove from it the agents of Standard Oil;
 - (3) Augment the campaign for nationalization.

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